

City of Wenatchee  
Capital Facilities Plan  
2006 – 2011

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**December 2, 2005**

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## ***Introduction***

The purpose of a Capital Facilities Plan (CFP) is to provide adequate facilities that are (1) consistent with the projected population growth and land use plan; (2) concurrent with, or within 6 years of the impacts of new development in order to achieve and maintain adopted level of service standards; and (3) based on sound fiscal policies for the city.

The Growth Management Act of 1990 requires that a CFP consist of (1) an inventory of existing capital facilities; (2) a forecast of the future needs for such facilities; (3) the proposed locations and capacities of expanded or new facilities; (4) at least a six-year plan that will finance such facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (5) a requirement to reassess the land use element if funding falls short of meeting existing needs.

The city-owned public capital facilities encompassed by this plan includes the following:

- streets
- sidewalks, paths and trails
- street and road lighting systems
- traffic signals
- domestic water system
- storm sewer system
- sanitary sewer system
- parks and recreation facilities
- general administrative facilities
- vehicles (over \$10,000 and a useful life of over 10 years)
- convention center
- cemetery

The Capital Facilities Plan is also important for seeking other funding sources, such as grants and loans. The city must have an approved Capital Facilities Plan to be eligible for Public Works Trust Fund program, Distressed County Funds, and other programs.

Under Growth Management, the city's Capital Facilities Plan, must also be coordinated and consistent with CFP's of other public facility providers. Some of those providers within the Wenatchee Urban Area include: Wenatchee School District (schools), Chelan County P.U.D. (electrical, water and sewer, parks and recreation), Department of Transportation (highways), Wenatchee Reclamation District (irrigation water), Fire District No. 1 (fire protection), Chelan County (streets, solid waste, storm sewer, lighting, traffic signals, law and justice).

The Capital Facilities Plan must be updated annually. Updates to the CFP should immediately precede the city's budget cycle so that capital improvements can be incorporated into the annual budget.

## ***Definitions***

The following definitions will help in understanding how this Capital Facilities Plan is put together and read.

***Capital Facility:*** Capital facilities are structures, improvements, equipment, or other major assets (including land) with a useful life of at least ten (10) years. Capital improvements are projects that create, expand, or modify a capital facility. This definition applies to projects cost that cost more than ten thousand (\$10,000) dollars.

***Public Facility:*** The city-owned public capital facilities encompassed by this plan includes the following: streets, sidewalks, paths and trails, street and road lighting systems, traffic signals, domestic water system, storm sewer system, sanitary sewer system, parks and recreation facilities, general administrative facilities, vehicles, convention center and cemetery.

***Level of Service:*** Levels of service are usually quantifiable measures of the amount of public facilities that are provided to the community. Measures of levels of service are typically expressed as ratios of facility capacity to demand by actual or potential users. Sometimes, level of service standards are based on the public service, such as police protection, rather than on the facility that houses the service (e.g. police station).

***Concurrency:*** This is a term that requires public facilities and services necessary to serve development be in place at the time of development or a financial commitment is made to provide the facility within a certain period of time. Growth Management requires concurrency on transportation facilities, while all other public facilities must be “adequate.” The Wenatchee Urban Area Comprehensive Plan, however, makes concurrency a requirement for city public facilities.

## ***CFP Organization***

This Capital Facilities Plan is organized around each of the public facilities provided by the City. Because the city wants to make sure that the Capital Facilities Plan is based on sound fiscal policy, all capital facilities for which city funds would be expended are included in the CFP, not just those facilities required to accommodate future growth. The CFP is based on the following categories:

- General Facilities (fire, police, administrative offices, maintenance, community facilities)
- Parks and Recreation
- Stormwater
- Water
- Sewer
- Street Overlay
- Arterial Street
- Convention Center
- Regional Water
- Cemetery
- Vehicles

### ***Level of Service Standards***

The Level of Service Standards for Public Facilities and Services identified in the Wenatchee Urban Area Comprehensive Plan are as follows:

#### **Schools:**

K-1	26 students per basic education (BEA) classroom
2-4	27 students per BEA classroom
4-5	29 students per BEA classroom
6-8	28 students per BEA classroom

#### *Comprehensive*

9-12	28 students per BEA classroom
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#### *Alternative*

9-12	24 students per BEA classroom
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#### *Ancillary Facilities*

Administration Center	1 per district
Transportation Center	1 per district
Maintenance Shop/Office	1 per district
Football Stadium	1 per district
Baseball Stadium	1 per district
Swimming Pool	1 per district
Outdoor Agricultural Lab	1 per district

#### **Fire Protection**

6-minute response time or less

#### **Police Protection**

All calls for assistance will be answered within a reasonable time consistent with the nature of the call.

#### **Parks and Recreation**

See plan for level of service standards

#### **Water Supply**

Based on Uniform Fire Code requirements

#### **Sanitary Sewer**

Daily load demand times 2.5 for collection system

Daily load demand for treatment capacity

#### **Storm Water**

Ten-year storm

#### **Transportation**

LOS "D" for signalized intersections

LOS "C" for all functional classes of arterials and collectors when measured over a minimum length of one mile

### ***Financial Constraints***

In order to be considered in the city's annual budget, a project that meets the definition of Capital Facility must be included in the city's Capital Facilities Plan. But first, here are some of the goals of the CFP planning process:

**Financial:** In the past, the Capital Facilities Plan was not financially realistic. The projected expenditures of general fund money was well beyond any reasonable expectation of the city unless new financial sources were obtained or identified. There also was never any correlation between a new capital program and annual operating costs. Therefore, in this plan, the following guidelines are set:

- the first 3 years must be fiscally constrained. That means that projects cannot be put into the first three years unless:
  - they are from an existing, dedicated city fund
  - a grant has been approved for the expenditure (not just an application)
  - annual operation and maintenance costs have been budgeted, or are a reasonable (not greater than 3%) increase over prior year's expenditures
  - the project funding source is voter approved bonds that are likely to be put in front of the voters, such as a fire station
- the second 3 years have to be reasonably constrained. That means projects can be put in the CFP if:
  - grant sources are reasonably likely to approve an application
  - new funding sources, such as development impact fees, have been reviewed and discussed with advisory bodies and city council
  - annual operation and maintenance costs are reasonable (while not limited to the 3% increase over current budget, there needs to be some reasonable expectation of how the increase would be covered)

### ***Timelines***

This Capital Facilities Plan update is being done in conjunction with the development of the annual city budget.

<b>Public Facility Type</b>	<b>Total</b>
Arterial Street	51,940,000
CDBG/Housing	655,000
Cemetery	227,000
Convention Center	460,000
General Facilities	16,445,840
Parks and Recreation	32,603,500
Paths and Trails	0
Regional Water	4,983,000
Sewer	4,900,000
Stormwater	600,000
Street Overlay	2,250,000
Streets	280,000
Vehicles	435,000
Water	6,484,000
TOTAL	\$122,263,340

## 2006 Projects

The following projects are requests for consideration in the 2006 budget:

Facility Type	Project Name	Amount	Revenue Source
Arterial Street	Hawley Street Extension	80,000	Intergovernmental (local)
Arterial Street	Hawley Street Extension	640,000	Grant - State Transportation
Arterial Street	Hawley Street Extension	80,000	Tax - 1/2 Cent Gas -- Fund 109
Arterial Street	Riverside Drive	3,452,200	Grant - State Transportation
Arterial Street	Miscellaneous / Minor / Undefined	50,000	Tax - 1/2 Cent Gas -- Fund 109
<b>Arterial Street Total</b>		<b>\$ 4,302,200</b>	
CDBG/Housing	Housing	160,000	Recording Fee Surcharge -- 2060 funds
CDBG/Housing	Housing	40,000	Recording Fee Surcharge -- Homeless funds
CDBG/Housing	Housing	100,000	Grant - Federal General Purpose
CDBG/Housing	Neighborhood Infrastructure	30,000	Grant - Federal General Purpose
CDBG/Housing	Neighborhood Infrastructure	128,000	Grant - Federal General Purpose
CDBG/Housing	Neighborhood Infrastructure	170,000	Grant - Federal General Purpose
<b>CDBG/Housing Total</b>		<b>\$ 628,000</b>	
Cemetery	Development of Section M	40,000	General Fund
Cemetery	Scattering Garden	12,000	General Fund
<b>Cemetery Total</b>		<b>\$ 52,000</b>	
Convention Center	Annual Upgrades & Replacements	75,000	Convention Center Revenue/Reserves -- Fund 106
Convention Center	Sound System Improvements	10,000	Convention Center Revenue/Reserves -- Fund 106
<b>Convention Center Total</b>		<b>\$ 85,000</b>	
General Facilities	Community Center	74,000	General Fund
General Facilities	Community Center	490,000	Grant - Community Development (State)
General Facilities	Community Center	300,000	Grant - Federal General Purpose
General Facilities	Community Center	285,000	Intergovernmental (local)
General Facilities	Public Works Facility Site Work	511,000	General Fund
	• Street Improvements	262,000	
	• Orchard Removal	6,000	
	• House Demolition	20,000	
	• Site Prep and Fencing	48,000	
	• Property Acquisition	175,000	
General Facilities	IS/FM Building - Roof Replacement	40,000	General Fund
General Facilities	Library Boiler Replacement	25,000	General Fund
<b>General Facilities Total</b>		<b>\$ 1,725,000</b>	
Parks and Recreation	Playground Equipment Improvements	10,000	General Fund
Parks and Recreation	Rotary Park Phase II	205,000	Donation - Rotary
Parks and Recreation	Rotary Park Phase II	198,500	Grant -- IAC
<b>Parks and Recreation Total</b>		<b>\$ 413,500</b>	



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Regional Water	Disinfection Facility	530,000	Water -- Regional Reserves -- Fund 415
Regional Water	SCADA Improvements	25,000	Water -- Regional Reserves -- Fund 415
Regional Water	SCADA intertie for PUD	30,000	Water -- Regional Reserves -- Fund 415
<b>Regional Water Total</b>		<b>\$ 585,000</b>	
Sewer	Olds Station Pump Station	250,000	Sewer - Reserves -- Fund 401
Sewer	Replace/Rehabilitate Sewer Mains	200,000	Sewer - Reserves -- Fund 401
Sewer	WWTP Laboratory Remodel	100,000	Sewer - Reserves -- Fund 401
Sewer	General Sewer Plan (Comprehensive Plan)	150,000	Sewer - Reserves -- Fund 401
<b>Sewer Total</b>		<b>\$ 700,000</b>	
Stormwater	Comprehensive Plan Update	100,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Linden Tree Stormwater Improvements	250,000	Storm Sewer - Reserves -- Fund 410
Stormwater	Miscellaneous Stormwater Improvements	250,000	Storm Sewer - Reserves -- Fund 410
<b>Stormwater Total</b>		<b>\$ 600,000</b>	
Street Overlay	Street Overlay	700,000	Tax - REET - 2nd 1/4
<b>Street Overlay Total</b>		<b>\$ 700,000</b>	
Streets	Sidewalk Replacement	10,000	Street Fund -- Fund 108
Streets	Signal Light Upgrade to LED Bulbs	30,000	Street Fund -- Fund 108
Streets	Streetscape Crosswalks	35,000	Street Fund -- Fund 108
<b>Streets Total</b>		<b>\$ 75,000</b>	
Vehicles	Drying Bed Front End Loader	50,000	Sewer - Reserves -- Fund 401
<b>Vehicles Total</b>		<b>\$ 50,000</b>	
Water	AMR	534,000	Water - Reserves -- Fund 401
Water	FH Replacment Program	50,000	Water - Reserves -- Fund 401
Water	Main Replacement	500,000	Water - Reserves -- Fund 401
Water	Rehabilitate Reservoirs	650,000	Water - Reserves -- Fund 401
Water	Replace galvanized service lines	50,000	Water - Reserves -- Fund 401
<b>Water Total</b>		<b>\$ 1,784,000</b>	
<b>Grand Total</b>		<b>\$ 11,699,700</b>	

## ***General Facilities***

General facilities covers administrative offices, public works buildings, and other community projects that do not have dedicated fund sources, such as water and sewer systems.

The focus of the 6-year capital facilities financing plan for general facilities is on six areas:

1. Implementation of the renovation of St. Joseph's Church into a Community Center.
2. Relocation of the city's Public Works facility off of the Riverfront.
3. Construction of a new Headquarters Fire Station.
4. Maintenance of city-owned facilities, including museum, fire station, and city hall.
5. Implementation of the city's waterfront plans.

The city has acquired St. Joseph's Church for future use as a Community Center and has begun renovation of the facility, expected to be complete in 2006. Funds for acquisition of the property came from insurance proceeds from the Memorial Hall fire, a state grant, and the sale of two properties acquired from the U.S. Department of Housing and Urban Development (HUD) for one dollar each. Funds for the renovation of the facility included a \$1 million Community Development Block Grant, \$300,000 in CDBG entitlement funds, a \$285,000 Gates Foundation Grant, \$180,000 from the Port of Chelan County, and funds from the sale of surplus property..

Fire Station #1 is planned for replacement. Work is ongoing to evaluate the needs of the department and how to approach a potential public vote on regional fire services and a new fire station.

There are several maintenance items proposed for city-owned facilities. The library is requiring a boiler replacement; and the roof of the former police station needs to be replaced as it is now the location of the city's Information Systems.

As part of the city's plan to revitalize the waterfront, the plan calls for relocation of the city's Public Works facility. The city has acquired property on McKittrick Street for this purpose. A preliminary master plan has been completed for the construction of the Public Works facility. The estimates for development range from approximately \$10 to \$15 million.

This Capital Facilities Plan identifies a potential lower number for this facility that could be accomplished. For the purpose of this plan, design and construction of a new public works facility is budgeted at \$9.6 million. Funding for this is proposed to come from the sale of the existing property, water and sewer funds, and the city's Real Estate Excise Tax. An option for financing the facility would be a public voted bond.

## GENERAL FACILITIES

<i>Year</i>	<i>Project</i>	<i>Funding Source</i>	<i>Fund Amount</i>
2006	Community Center	Grant - Community Development (State)	490,000
		Intergovernmental (local)	285,000
		General Fund	125,000
		Grant - Federal General Purpose	300,000
	<b>Community Center Total</b>		<b>\$ 1,200,000</b>
2007	Headquarters Fire Station	Bonds-Voter Approved	<b>\$ 5,000,000</b>
2006	IS/FM Building - Roof Replacement	General Fund	<b>\$ 40,000</b>
2006	Library Boiler Replacement	General Fund	<b>\$ 25,000</b>
2006	Public Works Facility	General Fund	<b>\$ 511,000</b>
	· Street Improvements	262,000	
	· Orchard Removal	6,000	
	· House Demolition	20,000	
	· Site Prep and Fencing	48,000	
	· Property Acquisition	175,000	
2007	Public Works Facility	Bond (Tax - REET - 1st 1/4)	3,115,000
		Tax - REET - 1st ¼	500,000
		Water - Reserves -- Fund 401	1,700,000
		Surplus Property Sale	1,140,000
		Sewer - Reserves -- Fund 401	1,700,000
		Other -- Undetermined Source	934,000
	<b>Public Works Facility Total</b>		<b>\$ 9,089,000</b>
2007	Wenatchee Riverfront Day Moorage	Intergovernmental (local)	158,040
		Grant -- IAC	473,800
	<b>Wenatchee Riverfront Day Moorage Total</b>		<b>\$ 631,840</b>
<b>TOTAL</b>			<b>\$ 16,445,840</b>

### ***Community Development Block Grant/Housing Program***

The city has three funding sources for programs that provide assistance to low- and moderate income housing:

- Community Development Block Grant (CDBG)
  - State Competitive Grant
  - Federal Entitlement Grant
- Recording Fee Surcharge (SHB 2060)
- Recording Fee Surcharge (Homelessness Act)

The CDBG State Competitive Grant is set to expire at the end of 2006. The following capital projects are planned:

- Peachey Street Sidewalks (Phase I)
- Alley paving and street lights

The CDBG Entitlement funds are anticipated to be an ongoing source of funds for the city to meet the needs of low- and moderate income households. The funds are planned for a 5-year period, but allocated annually. The following is the anticipated general distribution of funds for this program. See the city's HUD Consolidated Plan for more details.

	2006	2007	2008	2009	Total
Infrastructure Development	100,000	100,000	100,000	100,000	\$ 400,000
Homeowner rehab					
2 major @\$30,000 each		60,000	60,000	60,000	\$ 180,000
7 minor @ \$5,000 each		35,000	35,000	35,000	\$ 105,000
Staff coordinator @ \$20,000		20,000	20,000	20,000	\$ 60,000
Neighborhood Infrastructure	128,000	75,000	75,000	75,000	\$ 353,000
Neighborhood Improvement (volunteers)	25,000				\$ 25,000
Integrated approaches (services)	50,000	15,000	15,000	15,000	\$ 95,000
Impediments to Fair Housing	5,000				\$ 5,000
Admin @ 20%	77,000	77,000	77,000	77,000	\$ 308,000
TOTAL	\$ 385,000	\$ 382,000	\$ 382,000	\$ 382,000	
CDBG Allocation	385,000	385,000	385,000	385,000	
Difference	-	3,000	3,000	3,000	\$ 1,531,000

The following funds have been proposed for 2006 allocation of CDBG funds:

- Bruce Housing (structural upgrades)
- Housing fund (project to be identified)
- Peachey Street Sidewalks – Phase II

The city also receives funds through an agreement with Chelan County for the allocation of a portion of the revenues collected from a \$10 surcharge recording fee to be used towards projects that benefit low-income households (SHB 2060). The city has an agreement with Habitat for Humanity to utilize these funds for acquisition of property. Habitat has not utilized these funds over the past year, and consideration might be given to using these funds in conjunction with the CDBG entitlement funds to complete a larger project in the city.

Finally, the city is participating with Chelan County and Douglas County in a Homelessness Plan. An additional \$10 surcharge recording fee is allocated to help end Homelessness in the next ten years. The city is considering opting out of the county consortium to use these funds on city projects.

<i>Year</i>	<i>Project</i>	<i>Funding Source</i>	<i>Fund Amount</i>
2006	Bruce Housing CDBG Funded Structural Upgrade	Grant - CDBG Entitlement	55,000
2006	Housing Fund	Recording Fee Surcharge -- 2060 funds	140,000
2006		Recording Fee Surcharge -- Homeless funds	40,000
	<b>Housing Fund Subtotal</b>		<b>\$ 180,000</b>
2006	Housing Fund -- Support affordable housing project	Grant - CDBG Entitlement	100,000
2006	Peachey Street Sidewalks -- Phase I	Grant - CDBG (State)	170,000
2006	Peachey Street Sidewalks -- Phase II	Grant - CDBG Entitlement	120,000
2006	Alley paving and street lights	Grant - CDBG (State)	30,000
<b>Total</b>			<b>\$ 655,000</b>

### ***Parks and Recreation***

The city completed a comprehensive Parks and Recreation Plan in 2000. This plan addresses every type of park and recreational activity available, and some which are deficient. Overall, the community's residents are blessed with a wide variety of opportunities. Many agencies and groups provide outstanding facilities and programs separate from those of the city.

The comprehensive plan points out several projects and financial options. Providing a financially realistic plan for parks facilities limits listing the many needs of our current parks system, as well as the needs for future parks and recreation developments. This concept, however, is a practical one, and will require prioritization of needs by staff, Parks Board, community members, city finance personnel, Mayor and the City Council. Other government jurisdictions will also need to be involved in helping solve the community's needs, plus private and non-profit groups.

There are three major improvements proposed to city parks. Rotary Park, at the corner of Western and Mulberry, is now under development. The city has received funds from the Interagency Committee for Outdoor Recreation (IAC) for Phase II improvements, to be matched by the Rotary Clubs.

Conceptual plans for construction of a Multi Purpose Events Center have been proposed. This new facility would replace the city's current ice rink. Funding mechanisms are being explored, including grants and legislative approval of special tax funding options.

The third major improvement would be the purchase of Saddlerock from the Department of Natural Resources. Preliminary conversations have been made for the acquisition of this property to be used for trail purposes.

Maintenance of existing city parks is also proposed to replace aging equipment in the parks.

**Parks and Recreation Facilities**

<i>Year</i>	<i>Project</i>	<i>Funding Source</i>	<i>Fund Amount</i>
2006	Playground Equipment Improvements	General Fund	\$ 10,000
2006	Rotary Park Phase II	Donation - Rotary	205,000
		Grant -- IAC	198,500
	<b>Rotary Park Phase II Total</b>		<b>\$ 403,500</b>
2007	Playground Equipment Improvements	General Fund	\$ 10,000
2007	Saddlerock Purchase	Grant -- IAC	75,000
		Donation	75,000
	<b>Saddlerock Purchase Total</b>		<b>\$ 150,000</b>
2008	Playground Equipment Improvements	General Fund	\$ 10,000
2009-11	Multi Purpose Events Center	Other -- Undetermined Source	\$ 32,000,000
2009-11	Playground Equipment Improvements	General Fund	\$ 20,000
<b>TOTAL</b>			<b>\$ 32,603,500</b>

## *Stormwater*

The intent of projects in this program is to provide an infrastructure capable of handling a 10-year storm by installing new storm drains or adding to the capacity of existing systems. Consideration is given to the condition of the existing street surface, so that storm water projects will occur at least one year prior to the street being overlaid or during the last few years of the asphalt surface life expectancy. The next logical project at this time is the north Miller Street project, although there are insufficient funds at this time to construct this project. Due to the requirements of the National Pollution Discharge Elimination (NPDES), which has been a moving target, an update to the Stormwater Comprehensive Plan is planned. Funds will also be used in conjunction with city upgrades to arterial streets. Finally, a new Vector truck might be necessary in future years to meet federal stormwater requirements.

These projects are required to meet the City's adopted LOS standards. The City has adopted a 10-year storm as the design standard. A 10-year storm is defined as a storm that can be expected to occur on average once every 10 years, based on empirical data. Parts of the existing system, particularly in the residential areas, was designed for a 5-year storm. Also, storm sewer systems were generally not installed in the areas above the Reclamation District Canal. As these areas are brought up to standards, and as new developments occur that increase the runoff to the existing system, a large number of the existing trunk lines will be under capacity. The intent of this program is to update or install new storm sewer mains in a timely manner so that the ultimate build out of the valley is accommodated in regards to a 10-year storm.

The Storm Drain Utility Fund is a special revenue fund designed to account for the financial activities related to the City's ongoing improvement and expansion of the storm sewer system. The revenue for this fund is generated from a flat monthly charge to each single-family residence as well as a monthly charge to commercial and multi-family residences based on an "equivalent residential unit". The equivalent residential unit is an impervious surface of 3,000 square feet.

Storm sewer fees were previously collected outside the City of Wenatchee's corporate limits but within the City's urban growth boundary. The collection of these stormwater utility fees was suspended several years ago, pending review of the needs and funding program. The city recently completed a fee study, which resulted in an increase in the stormwater charges. The City has been meeting with Chelan County regarding developing a joint program to address NPDES issues. The discussions include re-establishing the fee collection outside the city limits by the County and providing a portion of these funds to the City for NPDES program administration.



# Storm Drain (#410)

<i>Year</i>	<i>Project</i>	<i>Funding Source</i>	<i>Fund Amount</i>
2006	Comprehensive Plan Update	Storm Sewer - Reserves -- Fund 410	100,000
2006	Linden Tree Stormwater Improvements	Storm Sewer - Reserves -- Fund 410	250,000
2006	Miscellaneous Stormwater Improvements	Storm Sewer - Reserves -- Fund 410	250,000
<b>TOTAL</b>			<b>\$ 600,000</b>

	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
<b><u>Revenue</u></b>						
Operating	715,500	876,300	976,400	1,005,700	1,035,900	1,067,000
Interest earnings	62,000	10,000	10,000	10,000	10,000	10,000
Revenue bonds	0	0	0	0	0	0
Total revenues	777,500	886,300	986,400	1,015,700	1,045,900	1,077,000
<b><u>Projects</u></b>						
Operating	307,200	316,416	325,908	335,686	345,756	356,129
Bond payments	252,958	251,748	255,238	253,188	255,903	252,983
Linden Tree	250,000	0	0	0	0	0
Miscellaneous	250,000	0	0	0	0	0
Comp Plan Update	100,000	0	0	0	0	0
Comp plan projects	0	0	0	0	0	0
Total projects	1,160,158	568,164	581,146	588,874	601,659	609,112
<b><i>Revenues over (under) projects</i></b>	-382,658	318,136	405,254	426,826	444,241	467,888
<b><i>Beginning fund balance</i></b>	834,971	452,313	770,449	1,175,703	1,602,529	2,046,769
<b><i>Ending fund balance</i></b>	452,313	770,449	1,175,703	1,602,529	2,046,769	2,514,657
Rate study growth factor	21.55%	19.47%	8.42%	0.00%	0.00%	0.00%
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b><u>Debt Service Payments</u></b>						
1998 Bonds	252,958	251,748	255,238	253,188	255,903	252,983
	252,958	251,748	255,238	253,188	255,903	252,983

## ***Water/Sewer***

The major emphasis in the water distribution system over the next six years will be on upgrading fire flow capacity in those areas identified in the Comprehensive Water Plan as being deficient, replacing aging steel water mains in streets scheduled for ACP overlay and reservoir rehabilitation of the 4 and 8 million gallon reservoirs.

The second major emphasis in the water system will be on replacement of metering systems with an automated meter reading system utilizing radio frequency transmission of meter readings to an electronic receiving system. This system will increase efficiencies in meter reading.

The major emphasis in the waste water system will be on planning and design for the expanded sewer service area out to the UGB west of highway 97 and improvements to the collection system and pump station in the industrial Olds Station area that the City of Wenatchee purchased from the Chelan County PUD.

Ongoing annual maintenance and rehabilitation of the collection system main lines, manholes and pump stations will be required over the next six years as more areas of need are identified through the City's continuing video inspection program.

Utility rate increases recently adopted by the City Council provide the necessary funding for the capital improvements.

<i>System</i>	<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
Water	2006	Automated Meter Reading System	Water - Reserves -- Fund 401	534,000
Water	2006	FH Replacement Program	Water - Reserves -- Fund 401	50,000
Water	2006	Main Replacement	Water - Reserves -- Fund 401	500,000
Water	2006	Rehabilitate Reservoirs	Water - Reserves -- Fund 401	650,000
Water	2006	Replace galvanized service lines	Water - Reserves -- Fund 401	50,000
Water	2007	Public Works Facility	Water/Sewer Bonds	1,700,000
Water	2007	FH Replacement Program	Water - Reserves -- Fund 401	50,000
Water	2007	Main Replacement	Water - Reserves -- Fund 401	500,000
Water	2007	Replace galvanized service lines	Water - Reserves -- Fund 401	50,000
Water	2008	FH Replacement Program	Water - Reserves -- Fund 401	50,000
Water	2008	Main Replacement	Water - Reserves -- Fund 401	500,000
Water	2008	Replace galvanized service lines	Water - Reserves -- Fund 401	50,000
Water	2009-11	FH Replacement Program	Water - Reserves -- Fund 401	150,000
Water	2009-11	Main Replacement	Water - Reserves -- Fund 401	1,500,000
Water	2009-11	Replace galvanized service lines	Water - Reserves -- Fund 401	150,000
<b><i>Water Total</i></b>				<b>\$ 6,484,000</b>
Sewer	2006	Comprehensive Plan 4 Sanitary Sewer Service Area	Sewer - Reserves -- Fund 401	150,000
Sewer	2006	Increase Capacity/Reliability of Olds Station PS	Sewer - Reserves -- Fund 401	250,000
Sewer	2006	Rehabilitate/Replace Sewer Mains	Sewer - Reserves -- Fund 401	200,000
Sewer	2006	Remodel the WWTP Lab	Sewer - Reserves -- Fund 401	100,000

City of Wenatchee, Capital Facilities Plan, 2006 to 2011

Sewer	2007	Public Works Facility	Water/Sewer Bonds	1,700,000
Sewer	2007	Replace/Rehabilitate Sewer Mains	Sewer - Reserves -- Fund 401	200,000
Sewer	2008	Replace/Rehabilitate Sewer Mains	Sewer - Reserves -- Fund 401	200,000
Sewer	2009-11	Construct 4th Anaerobic Digester	Sewer - Reserves -- Fund 401	1,500,000
Sewer	2009-11	Replace/Rehabilitate Sewer Mains	Sewer - Reserves -- Fund 401	600,000
<b>Sewer Total</b>				<b>\$ 4,900,000</b>

**Water/Sewer (#401)**

In addition to the projects shown on the previous page, the city's Public Works office is also proposed for relocation. Funds from the city sewer and water funds would be spent in proportion to their use of that facility.

	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
<b><u>Revenue</u></b>						
Operating	7,246,400	7,463,800	7,687,700	7,918,300	8,155,800	8,400,500
Non-operating	191,500	197,200	203,100	209,200	215,500	222,000
Revenue bond/loan proceeds	0	3,400,000	0	0	0	0
Total revenues	7,437,900	11,061,000	7,890,800	8,127,500	8,371,300	8,622,500
<b><u>Projects</u></b>						
Operating	5,158,075	5,312,800	5,472,200	5,636,400	5,805,500	5,979,700
Bond payments	1,396,177	1,302,236	1,475,939	1,476,591	1,479,518	1,475,799
Capital projects - PW bldg	0	3,400,000	0	0	0	0
Capital projects - water	1,784,000	600,000	600,000	600,000	600,000	600,000
Capital projects - sewer	700,000	200,000	200,000	200,000	200,000	200,000
Capital projects - WWTP	0	0	0	0	0	1,500,000
Total projects	9,038,252	10,815,036	7,748,139	7,912,991	8,085,018	9,755,499
<b><i>Revenues over (under) projects</i></b>	<i>(1,600,352)</i>	<i>245,964</i>	<i>142,661</i>	<i>214,509</i>	<i>286,282</i>	<i>(1,132,999)</i>
<b><i>Beginning fund balance</i></b>	<i>4,878,272</i>	<i>3,277,920</i>	<i>3,523,884</i>	<i>3,666,545</i>	<i>3,881,054</i>	<i>4,167,336</i>
<b><i>Ending fund balance</i></b>	<i>3,277,920</i>	<i>3,523,884</i>	<i>3,666,545</i>	<i>3,881,054</i>	<i>4,167,336</i>	<i>3,034,337</i>
Rate study growth factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b><u>Debt Service Payments</u></b>						
2004 Bonds	841,467	657,526	562,414	562,296	564,688	562,274
1998 Bonds	113,851	203,851	199,666	200,436	200,971	199,666
SRF Loan repayment	440,859	440,859	440,859	440,859	440,859	440,859
PW Building Bonds	0	0	273,000	273,000	273,000	273,000
	1,396,177	1,302,236	1,475,939	1,476,591	1,479,518	1,475,799

### ***Regional Water (Fund 415)***

Three major projects are planned for the Regional system in the future.

The first is a change in the chlorination system from one ton pressurized gas cylinder system to a liquid injection system. At this time, on-site generation of a hypochlorite solution is the preferred option.

The second major project is a fourth high capacity well. Additional capacity will be needed as the East Wenatchee Water District (EWWD) expands and the demand for water increases from the East Bank Aquifer. Depending on growth rate of the EWWD and the Chelan County PUD a second 30 inch diameter transmission main will be needed from the aquifer to the EWWD connection near Odabashian Bridge. This project is actually scheduled for sometime after 2011 but increased growth may cause this project to occur sooner.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2006	Disinfection Facility - Install On Site Generation of Hypochlorite	Water -- Regional Reserves -- Fund 415	530,000
2006	Install Continuous Aquifer Monitoring	Water -- Regional Reserves -- Fund 415	25,000
2006	SCADA intertie for PUD	Water -- Regional Reserves -- Fund 415	30,000
2007	Begin Design Work for 5th high capacity well	Water -- Regional Reserves -- Fund 415	34,000
2008	Install Fifth Well at Regional Well Field	Water -- Regional Reserves -- Fund 415	864,000
2009-11	Install Second Transmission line to EWWD	EWWD and Regional Fund 415	3,500,000
			<b>\$ 4,983,000</b>

### ***Street Overlay***

The intent of this annual project is to overlay all of the City streets over a 15-year repeating cycle. In addition to pavement condition, consideration is given to the need to upgrade the water, sewer, storm drain and other utilities so that the overlay will occur at least one year after excavation for utility updates.

For the most part, the overlay program is a maintenance issue. It is related to Level of Service (LOS) standards in that if the maintenance issue is not addressed in a timely manner, roadways will deteriorate to the point where total reconstruction is necessary, at which time LOS to the public is lowered.

The Street Overlay Fund is a special revenue fund designed to account for financial activities related to the City's ongoing street overlay program. The Street Overlay Program was developed by the Public Works Department in 1996 and provided for the overlay of all City streets over a 15-year repeating cycle. At that time the estimated cost of the overlay program was over \$8,000,000 over the life cycle with about \$4,000,000 needed for immediate overlay; and \$500,000 per year would be needed to fund the 15-year cycle. Due to inflation and rising oil prices, the cycle will likely not be met with \$500,000 per year and is proposed at \$600,000.

Revenue sources consist of funds generated from the city's 2<sup>nd</sup> 1//4 of 1% Real Estate Excise Tax. Previously, funds from the city's 5% Cable TV tax was dedicated to the overlay program, but budget priorities in 2003 reallocated those funds to general city expenses. The current revenue is only \$400,000 per year, \$100,000 short of the anticipated needs for the program. The anticipated fund balance at the beginning of 2006 is \$624,682.

The Street Overlay Program was looked at again by the Public Works Department in 2005. This analysis indicates that more than \$1,500,000 needs to be annually allocated to this fund. The largest differences between the 1996 and 2005 evaluations are inflation due to the rising cost of oil prices, and a closer examination of other issues such as grinding, along with life extension maintenance procedures such as crack sealing and intersection repair.

### *Street Overlay (#111)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Revenue</u></b>									
<i>2nd 1/4% REET</i>	400,000	412,000	424,400	437,100	450,200	463,700	477,600	491,900	506,700
<i>Miscellaneous</i>	18,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<i>Refinance G.O. Bonds</i>									1,000,000
<i>Total revenues</i>	418,000	417,000	429,400	442,100	455,200	468,700	482,600	496,900	1,511,700
<b><u>Projects</u></b>									
<i>Overlays</i>	700,000	300,000	0	200,000	150,000	900,000	1,200,000	350,000	1,650,000
<i>Total projects</i>	700,000	300,000	0	200,000	150,000	900,000	1,200,000	350,000	1,650,000
<i>Revenues over (under) projects</i>	-282,000	117,000	429,400	242,100	305,200	-431,300	-717,400	146,900	-138,300
<i>Beginning fund balance</i>	624,682	342,682	459,682	889,082	1,131,182	1,436,382	1,005,082	287,682	434,582
<i>Ending fund balance</i>	342,682	459,682	889,082	1,131,182	1,436,382	1,005,082	287,682	434,582	296,282

The budget shown above includes the actual amounts of overlays estimated to be necessary over the next nine years. These estimates are based on the Public Works Department's analysis of life cycle of city streets. In some years, additional overlays are not anticipated, or are severely reduced in scope. However, due to the large amount of work done in 1998 and 1999, which were financed by bonds, annual project costs are anticipated to significantly increase in 2014.

In 2014, when the city's existing bonds for the overlay program are paid off, the city can either re-issue bonds for another large push, or the city could add the revenue from the 1<sup>st</sup> 1/4% Real Estate Excise Tax to the Overlay program.. An alternative would be to ask the voters for additional authority to pay for street overlays, or additional funding options that might be provided by the state legislature for preservation of city streets.

## *Arterial Streets*

There are twenty one arterial street projects planned, only one of which has funding in place. It is proposed to apply for grant funding for the other projects, and if successful, the grant money would contribute 80% of the funds with the remaining 20% coming from the Arterial Street Fund - 1/2 cent gas tax. There is also a study underway of the South End Bridge. A second study of the North Wenatchee Avenue Corridor is proposed if funding becomes available through other local agencies and WSDOT.

The one funded project is to reconstruct the east end of Walnut so that it lines up with and forms a 4-leg intersection with Hawley Street. The project will include obtaining right of way from several property owners including the manufactured home business along Wenatchee Avenue; a new roadway will be constructed on new alignment, and the existing traffic signal will be modified.

Other roadway reconstruction projects that are un-funded at this time include:

- Walla Walla Avenue from Ninth Street to Miller Street
- Piere Street
- Pine Street
- McKittrick Street
- Western Avenue at Number Two Canyon

Each of these projects will reconstruct and widen the existing roadway to provide a driving lane in each direction, left turn lanes where needed, a bicycle / snow removal lane in each direction, on street parking where desired and where right of way is dedicated for this use, sidewalks on both sides, and street lighting. Storm drain, sanitary sewer and water system improvements will also be a part of these projects.

There are ten projects that are proposed to improve circulation and capacity. Those projects include:

- Extension of Hawley Street to Pine Street
- New Riverside Drive and Piere Street
- Extension of right turn lane on North Wenatchee Avenue between Horse Lake Road and Maiden Lane
- Extension of Maple Street to Benoy
- Extension of Elliot Street from 5<sup>th</sup> Street south
- Approach improvements to the Senator George Sellar Bridge
- Mission Street widening at Crawford – includes northbound and southbound turn lanes
- Western Avenue widening and right turn lanes at Fifth Street
- Chelan Avenue widening and right turn lane at Orondo Avenue
- Elliott Street connection between Fifth Street and Orchard Avenue

There are six signal projects proposed for funding: two locations on Miller Street (1<sup>st</sup> and Washington intersections), Maple and Western, Wenatchee Avenue and Ferry Street, Wenatchee Avenue and Thurston, and Crawford and Okanogan.

Other miscellaneous programmed projects include:

- Railroad grade crossing modifications – train whistle ban mitigation
- Traffic signal radio interconnect and optimization
- Signal light upgrade to L.E.D. bulbs

One transportation planning study is proposed during this period. The North Wenatchee Corridor study would analyze the corridor to explore options to improve circulation, relieve congestion and document the environmental impact of any action.

The City of Wenatchee receives a portion of the State's ½ cent gas tax, approximately \$283,000 annually, which is dedicated to Arterial Streets. It is proposed to use this revenue as matching money for these projects. However, there are more projects than funds available. The list of projects identifies a need for \$5,158,000 of gas tax revenue, of which only \$1,146,000 would be available over the next 6-year period. Over a twenty year period, the city would anticipate collecting \$3,792,000 in gas tax revenue. Thus, in the near term (6 years), the projects on the list are short of city matching revenue by \$ 4,012,000 and over a twenty year period, the projects on the list are short of city matching revenue by \$1,366,000. At this time, there is literally no projected fund balance in the Arterial Street fund that could be used for the projects. If revenues fall short of the budget, and if the city were successful in obtaining all of the grants, the Mayor and City Council would need to prioritize projects and identify other funding sources in order to accomplish all of the projects in this CFP.

The source of the grant funds is the Transportation Improvement Board (TIB). The City of Wenatchee competes with other agencies for these funds. The TIB rates each of the applications based on specific criteria, including safety, mobility, structural condition, congestion, width, multimodal components and project cost.

As can be seen in the table below, the projected fund balance is \$(3,168,000). The city does not have sufficient funds to cover the necessary local match with the anticipated revenues. Other sources of funds will be necessary, or priorities made in spending. The table on page 26 is prepared in the order of priority as recommended by the city engineer.



**Arterial Street Fund (#109)**

		<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009-11</i>
<b><u>Revenue</u></b>					
Motor vehicle fuel tax	283,000	283,000	283,000	849,000	
Intergovernmental	30,000			550,000	
Grants - State	2,644,960	3,388,820		14,363,180	
Grants - Fed				25,000,000	
Federal STP				400,000	
WA DOT				80,000	
Private (LID, etc)	1,200,000			1,380,000	
Sewer/Water Utility					
Storm drain fund					
Miscellaneous	2,000	195,000			
Street Fund	121,516				
Total revenues	4,281,476	3,866,820	283,000	42,622,180	
<b><u>Projects</u></b>					
Total projects	4,302,200	4,260,650	50,000	45,679,350	
<b><u>Revenues over (under) projects</u></b>		-20,724	-393,830	233,000	-3,057,170
<b><u>Beginning fund balance</u></b>		70,724	50,000	-343,830	-110,830
<b><u>Ending fund balance</u></b>		50,000	-343,830	-110,830	-3,168,000

Prio rity		TOTAL COST	Grant - Federal Transportation	Grant - State Transportation	Intergovern- mental	LID	Sewer - Reserves	Storm Sewer - Reserves	Tax - 1/2 Cent Gas	WSDOT	Running Total 1/2 Cent Gas
1	Hawley Street Extension	1,800,000		1,440,000	180,000				180,000		180,000
2	Riverside Drive	6,800,000		4,700,000		1,200,000			900,000		1,080,000
3	SR 285 Phase I	6,300,000	4,400,000	1,500,000	400,000						1,080,000
4	Wenatchee Avenue and Thurston Signal	250,000		200,000					50,000		1,130,000
5	McKittrick Street Improvements	2,000,000		1,600,000	50,000				350,000		1,480,000
6	North Wenatchee Turn Lane	300,000		240,000					60,000		1,540,000
7	Wenatchee Avenue and Ferry Signal	300,000		240,000					60,000		1,600,000
8	Pedestrian Safety Improvements	540,000		432,000					108,000		1,708,000
9	Miscellaneous Projects	300,000							300,000		2,008,000
10	North/South Corridor Analysis	2,000,000		1,800,000	100,000				100,000		2,108,000
11	Chelan and Orondo Right Turn Lane	250,000							250,000		2,358,000
12	Maple/Western Signal	250,000							50,000		2,408,000
13	Traffic Signal Interconnect and Optimization	200,000		160,000					40,000		2,448,000
14	Fifth & Western Turn Lane	400,000							400,000		2,848,000
15	Miller Street Signals	500,000		400,000					100,000		2,948,000
16	Railroad Crossings	100,000		80,000					20,000		2,968,000
17	Mission/Crawford Intersection	100,000							100,000		3,068,000
18	Crawford and Okanogan Traffic Signal	400,000		320,000					80,000		3,148,000
19	Walla Walla Improvements	1,400,000		1,120,000					280,000		3,428,000
20	Pine Avenue Improvements	1,800,000		1,400,000		180,000			180,000		3,608,000
21	Walla Walla to Hawley Connection	550,000		440,000					110,000		3,718,000
22	Elliot Street Connection	500,000							500,000		4,218,000
23	Western Avenue/Number Two Canyon	1,200,000		960,000					240,000		4,458,000
24	SR 285 Phase II	23,700,000	21,000,000	2,000,000					700,000		5,158,000
		\$ 51,940,000	\$ 25,400,000	\$ 19,032,000	\$ 730,000	\$ 1,380,000	\$ -	\$ -	\$ 5,158,000	\$ -	
						SUBTOTAL		TOTAL			
		2006	2007	2008	2009-2011	2006-2011	2012-2025	2006-2025			
	REVENUE - 1/2 Cent Gas (I-912 fails)	283,000	283,000	283,000	849,000	1,698,000	3,962,000	5,660,000			

### ***Street Projects***

Two types of projects are proposed with street funds: replacement of crosswalks and upgrade of signal lights to LED bulbs. . The downtown crosswalks have required replacement. City crews have used a stamped, colored concrete system to replace the bricks that were settling. There are ten crosswalks left to complete: four at the Orondo intersection, two at mid-block and four additional crosswalks at side streets.

The second project is to replace signal lights with LED bulbs. These bulbs are more energy efficient and will lower annual operating costs to the city.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2006	Replace misc. sidewalk sections throughout City	Street Fund -- Fund 108	10,000
2006	Signal Light Upgrade to LED Bulbs	Street Fund -- Fund 108	30,000
2006	Reconstruct 2 concrete crosswalks on Wen Ave.	Street Fund -- Fund 108	35,000
2007	Replace misc. sidewalk sections throughout City	Street Fund -- Fund 108	10,000
2007	Signal Light Upgrade to LED Bulbs	Street Fund -- Fund 108	30,000
2007	Reconstruct 2 concrete crosswalks on Wen. Ave.	Street Fund -- Fund 108	35,000
2008	Replace misc. sidewalk sections throughout City	Street Fund -- Fund 108	10,000
2008	Signal Light Upgrade to LED Bulbs	Street Fund -- Fund 108	30,000
2008	Reconstruct crosswalks on cross streets in CBD	Street Fund -- Fund 108	20,000
2009-11	Replace misc. sidewalk sections throughout City	Street Fund -- Fund 108	30,000
2009-11	Reconstruct crosswalks on cross streets in CBD	Street Fund -- Fund 108	40,000
<b><i>Total</i></b>			<b>\$ 280,000</b>

## ***Convention Center***

The Convention Center is a city-owned facility that is operated under agreement with WestCoast Hotels. Revenue from the operation of the facility is used to pay off long-term capital debt, as well as needed facility and equipment upgrades and replacements.

The original portions of the Convention Center were built and equipped in 1980. As the facility has aged it has become necessary to replace much of the original equipment especially in high use area like the food service facilities and common areas. In 2005 a substantial investment was made with the purchase of 1000 new conference chairs, new tables, podiums and several items of new kitchen equipment including a new walk-in refrigerator and freezer. In 2006 these investments will continue and are highlighted by the following projects or purchases:

- Replace HVAC equipment for the Grand Ballroom
- Replace lobby furniture
- Make interim sound system improvements
- Replace convection ovens
- Replace steam table

In addition to the \$75,000 in equipment replacement and building upgrades, \$40,000 has been requested to perform an analysis of the Center's technological amenities and develop a facility plan for modernization with an emphasis on technology upgrades. This strategy is necessary to allow the Convention Center to compete with new or newly renovated high tech facilities locally and throughout the state.

The six-year budget summary, shown on the next page, shows that the fund balance in the Convention Center Fund will continue to increase throughout the period. The substantial increases in 2009 and 2010 can be partially attributed to the retirement of the 1993 bond debt

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2006	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves - - Fund 106	75,000
2006	Replace Speakers/make system improvements	Convention Center Revenue/Reserves - - Fund 106	10,000
2007	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves - - Fund 106	75,000
2008	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves - - Fund 106	75,000
2009-11	Upgrade or replace aging or defective equipment	Convention Center Revenue/Reserves - - Fund 106	225,000
<b><i>Total</i></b>			<b>\$ 460,000</b>

**Convention Center Fund**  
**Estimated Revenues, Expenses and Changes in Fund Balance**  
**For the years 2006 through 2011**

	<i>Note</i>	2006	2007	2008	2009	2010	2011
<b>Revenues</b>							
Hotel / Motel Tax	1	290,000	298,700	307,700	316,900	326,400	336,200
Chelan County	1	50,000	51,500	53,000	54,600	56,200	57,900
West Coast commissions	1	179,000	184,400	189,900	195,600	201,500	207,500
Miscellaneous	1	11,200	11,500	11,800	12,200	12,600	13,000
Transfer from Hotel Tax - Capital	1	170,681	175,800	181,100	186,500	192,100	197,900
Total revenues		700,881	721,900	743,500	765,800	788,800	812,500
<b>Expenses</b>							
Operating	1	353,447	322,900	332,600	342,600	352,900	363,500
Capital		85,000	75,000	75,000	75,000	75,000	75,000
Debt Service	2	323,304	324,229	329,447	261,178	259,678	262,793
Total expenses		761,751	722,129	737,047	678,778	687,578	701,293
Revenues over (under) expenses		-60,870	-229	6,453	87,022	101,222	111,207
Fund balance, January 1		335,574	274,704	274,475	280,928	367,950	469,172
Fund balance, December 31		274,704	274,475	280,928	367,950	469,172	580,379
<b><u>Note 1</u></b>							
<i>Assumes an annual increase of 3%</i>							
<i>(2006 operating expense includes a 1-time professional service expense of \$40,000 for a technology assessment.)</i>							
<b><u>Note 2</u></b>							
		2006	2007	2008	2009	2010	2011
Debt Service - 1993		65,017	66,166	67,019	0	0	0
Debt Service - 1997		258,287	258,063	262,428	261,178	259,678	262,793
Total		323,304	324,229	329,447	261,178	259,678	262,793

## ***Cemetery***

The Cemetery Advisory Board was formed in 2004 to identify needs at the City's 34-acre facility and develop a plan for remedying the project budgetary shortfalls in the coming years. The Board identified a lack of certain commodities such as cremation niches, a scattering garden, full interment crypts and side-by-side full interment graves that have hurt the Cemetery's ability to generate revenue. Also, the City's rates for goods and services at the Cemetery had not kept pace with inflationary pressures.

In the 2005 budget the City Council approved \$60,000 for capital projects as a transfer from the general fund. This funding was dedicated to the construction of two exterior columbarium (niche) walls and the construction of a scattering garden. This provided 160 new niches to market. Also, in July 2005 the Council enacted a rate increase, in part, to help provide funding for capital improvements and offset operating deficits.

In 2006 \$52,000 has been budgeted for additional capital improvements. This includes finishing the scattering garden and opening up additional lots in either Section O or in a new section of the Cemetery designated Section M. Either option will open up several hundred new graves for sale including side-by-side lots.

The long term Cemetery capital plan includes improvements to the Home of Peace mausoleum on Miller Street and the installation of additional facilities at the Cemetery including crypt walls, roadway drainage improvements and Veterans Section improvements.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2006	Development of Section M	General Fund	40,000
2006	Scattering Garden	General Fund	12,000
2007	Home of Peace Repairs	Other – undetermined	10,000
2007	Mausoleum crypt wall	Other – undetermined	40,000
2007	Scattering Garden Water Feature	Other – undetermined	10,000
2009-11	Cemetery Drainage	Other – undetermined	75,000
2009-11	Veterans Section Improvements	Other – undetermined	40,000
<b><i>Total</i></b>			<b>\$ 227,000</b>

## ***Vehicles***

Most vehicles in the city's fleet are part of the Equipment Revolving and Replacement Fund (ER & R). Those vehicles with a useful life of at least ten years are considered as capital assets. The following vehicles have been identified for purchase.

<i>Year</i>	<i>Project</i>	<i>Fund Source</i>	<i>Project Cost</i>
2006	Drying Bed Front End Loader	Sewer Reserves – Fund 401	50,000
2007	15 Passenger Recreation Van	General Fund	20,000
2007	Fire Rescue Quick Attack Vehicle	Fire Department ER & R	90,000
2007	Combination Sewer Jet/Vacuum Truck	Storm Sewer Reserves Fund 410	100,000
		Sewer Reserves Fund 401	75,000
		Intergovernmental (local)	100,000
	Combination Sewer Jet/Vacuum Truck Total		275,000
<b>Total</b>			<b>\$ 435,000</b>

## ***Real Estate Excise Tax***

The State Legislature authorized cities to impose an excise tax that is paid by the seller of a piece of real estate. The authorization is in two separate sections, with two separate sets of limitations. The authorization (RCW 82.46) has specific limitations and responsibilities for jurisdictions planning under the Growth Management Act.

The 1<sup>st</sup> quarter of 1% Real Estate Excise Tax has less limitations, but still must be used for projects included in the Capital Facilities Plan. This tax was first enacted by the city in 1996. The city of Wenatchee has used this funding to pay a portion of the debt service on the 1998 councilmanic bonds for the street overlay program.

The 2<sup>nd</sup> quarter of 1% Real Estate Excise Tax has more limitations. The list of capital projects is not as inclusive as the 1<sup>st</sup> Quarter. This tax was first enacted by the city in 1999. The city has previously dedicated this entire portion of the Real Estate Excise Tax to the Street Overlay program, which is authorized under the legislation.

Below is an overview of the two different legislative authorizations:

### 1<sup>st</sup> Quarter of 1% -- RCW 82.46.010

The legislative authority of any city may impose an excise tax on each sale of real property in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. After April 30, 1992, revenues generated from the tax imposed under RCW 82.46.010 in cities over five thousand population that are required or choose to plan under RCW 36.70A.040 shall be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450. However, revenues (a) pledged by such counties and cities to debt retirement prior to April 30, 1992, may continue to be used for that purpose until the original debt for which the

revenues were pledged is retired, or (b) committed prior to April 30, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

As used in this section, "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from the tax authorized by this section for such purposes; and, until December 31, 1995, housing projects for those jurisdictions that, prior to June 11, 1992, have expended or committed to expend funds derived from the tax authorized by this section or the tax authorized by RCW 82.46.035 for such purposes.

### **1<sup>st</sup> Quarter of 1% Projects**

For 2003, \$275,000 is forecast to be received from this source. This tax was first enacted by the city in 1996. The city of Wenatchee has used this funding to pay a portion of the debt service on the 1998 councilmanic bonds for the street overlay program.

In 2004, funds were borrowed from this fund to pay for cleanup costs associated with Rotary Park. These funds should be nearly repaid in 2005, allowing the opportunity for the city to look at other uses of these funds.

The relocation of the city's Public Works facility is proposed, bonding the funds in excess of the long-term debt service requirement for the 1998 Street Overlay bonds. The anticipated bond amount would be approximately \$1.7 million, with annual payments around \$121,000.

If the funds are dedicated to the Public Works facility, there are not any additional funds for other uses until the fund either grows in revenue or the 1998 Street Overlay bonds are retired.



**1st 1/4% REET**

	2006	2007	2008	2009	2010	2011
<b><u>Revenue</u></b>						
<i>1st 1/4% REET</i>	400,000	412,000	424,400	437,100	450,200	463,700
<i>IAC Grant</i>	198,500	0	0	0	0	0
<i>Miscellaneous</i>	3,100	3,200	3,300	3,400	3,500	3,600
<i>Storm drain</i>	0	0	0	0	0	0
<i>Sewer</i>	0	0	0	0	0	0
<i>General fund loan</i>	0	0	0	0	0	0
<i>General fund for PW bond pmt</i>	0	0	0	0	0	0
<i>Total revenues</i>	601,600	415,200	427,700	440,500	453,700	467,300
<b><u>Projects</u></b>						
<i>Bond payments<sup>1</sup></i>	175,208	174,061	170,036	170,461	167,301	168,381
<i>Rotary park</i>	198,500	0	0	0	0	0
<i>1-time PW Build contribution</i>	0	500,000	0	0	0	0
<i>Public works loan repayment (20 yrs)</i>	0	0	250,000	250,000	250,000	250,000
<i>Total projects</i>	373,708	674,061	420,036	420,461	417,301	418,381
<i>Revenues over (under) projects</i>	227,892	-258,861	7,664	20,039	36,399	48,919
<i>Beginning fund balance</i>	479,013	706,905	448,044	455,708	475,747	512,146
<i>Ending fund balance</i>	706,905	448,044	455,708	475,747	512,146	561,065

<sup>1</sup> Bond Payment for PW Facility Annual payment of \$250,000 assumes \$3,115,000 bond issue 5% annual interest, 20 years of payments, Fund 301 contribution to PW Building = \$500,000 in 2007 + \$250,000 per year for 20-years.

2<sup>nd</sup> Quarter of 1%-- RCW 82.46.035

The legislative authority of any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Revenues generated from the tax imposed RCW 82.46.035 shall be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

As used in this section, "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

**2<sup>nd</sup> Quarter of 1% Projects**

The 2<sup>nd</sup> Quarter of 1% Real Estate Excise Tax is proposed to be used primarily for the city's street overlay program. In 2006, the city is forecasting revenues of \$400,000.

### ***Discretionary Projects***

There are several projects that have identified either city General Fund or Other fund sources for the project. The council has the opportunity to review those requests and prioritize them.

In addition to this list of projects, several funds show needs are greater than funding. These funds include Arterial Streets and Street Overlay.

Year	Facility Type	Project	Fund	Amount
2007	Cemetery	Major repairs to building at Home of Peace	Other -- Undetermined Source	10,000
2007	Cemetery	Construct crypt wall behind mausoleum	Other -- Undetermined Source	40,000
2007	Cemetery	Install water feature in scattering garden	Other -- Undetermined Source	10,000
2009-11	Cemetery	Cemetery Drainage Improvements -- Design/construct street drainage improvements	Other -- Undetermined Source	75,000
2009-11	Cemetery	Expand Mausoleum to add interior/exterior niches/crypts	Other -- Undetermined Source	100,000
2009-11	Cemetery	Veterans Section Improvements -- Expand and construct improvements in Veterans Sec.	Other -- Undetermined Source	40,000
2007	General Facilities	Public Works Facility Construction	Other -- Undetermined Source	934,000
2007	Parks and Recreation	Playground Equipment Improvements -- Risk management improvements to aging equipment	General Fund	10,000
2008	Parks and Recreation	Playground Equipment Improvements -- Risk management improvements to aging equipment	General Fund	10,000
2009-11	Parks and Recreation	Playground Equipment Improvements -- Risk management improvements to aging equipment	General Fund	20,000
2009-11	Parks and Recreation	Multi Purpose Events Center -- Reconfiguration of Ice Arenas - waterfront plan	Other -- Undetermined Source	32,000,000
2007	Vehicles	Purchase new or used 15 passenger van	General Fund	20,000
<b>TOTAL</b>				<b>\$33,269,000</b>